Steven J. Pitterle Director - Negotiations Wholesale Markets



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August 31, 2000

Mr. Terry Addington President First Cellular of Southern Illinois 417 South 42nd Street Mt. Vernon, IL 62864

Dear Mr. Addington:

Verizon has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), First Cellular of Southern Illinois ("First Cellular") wishes to adopt the terms of the Interconnection Agreement between AT&T Wireless Services, Inc. ("AWS") and GTE that was approved by the Commission as an effective agreement in the State of Illinois in Docket No. 99 NA-039 (the "Terms"). I understand you have a copy of the Terms. Please note the following with respect to your adoption of the Terms.

- 1. By your countersignature on this letter, you hereby represent and commit to the following three points:
 - (A) First Cellular adopts the Terms of the AWS agreement for interconnection with Verizon and in applying the Terms, agrees that First Cellular shall be substituted in place of AWS in the Terms wherever appropriate.
 - (B) First Cellular requests that notice to First Cellular as may be required under the Terms shall be provided as follows:

To: First Cellular

Attention: Terry Addington

President

417 South 42nd Street Mt. Vernon, IL 62864

Telephone number: 618-244-2355 x534

FAX number: 618-244-8550

(C) First Cellular represents and warrants that it is a CMRS provider authorized to provide service in the State of Illinois, and that its adoption of the Terms will cover services in the State of Illinois only.

- 2. First Cellular's adoption of the AWS Terms shall become effective upon Verizon's filing of this letter with the Illinois Commerce Commission and remain in effect no longer than the date the AWS Terms are terminated. The AWS agreement is currently scheduled to expire on June 30, 2001.
- 3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of First Cellular's 252(i) election.
- 4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by either Verizon or First Cellular that any provision in the Terms complies with the rights and duties imposed by the Act, the decision of the FCC and the Commissions, the decisions of the courts, or other law, and both Verizon and First Cellular expressly reserve their full right to assert and pursue claims arising from or related to the Terms.
- 5. Verizon reserves the right to deny First Cellular's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to First Cellular are greater than the costs of providing it to AWS;
 - (b) if the provision of the Terms to First Cellular is not technically feasible; and/or
 - (c) to the extent First Cellular already has an existing interconnection agreement (or existing 252(i) adoption) with Verizon and the Terms were approved before the date of approval of the existing interconnection agreement (or the effective date of the existing 252(i) adoption).

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President

- 6. As noted above, pursuant to Rule 809, the FCC gave ILECs the ability to deny 252(i) adoptions in those instances where the cost of providing the service to the requesting carrier is higher than that incurred to serve the initial carrier or there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. Verizon never intended for Internet traffic passing through a telecommunications carrier to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation where the cost of providing the service is not cost based. With this in mind, Verizon opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Terms that might be interpreted to characterize traffic destined for Internet as local traffic or requiring the payment of reciprocal compensation.
- 7. Should First Cellular attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

Please sign this letter on the space provided below and return it to the undersigned.

Sincerely,
Verizon North Inc. Verizon South Inc.
Steven J. Pitterle Director - Negotiations Wholesale Markets
Reviewed and countersigned as to points A, B, and C of paragraph 1:
First Cellular of Southern Illinois
Terry Addington